

## Memorandum

Date: January 22, 2014  
To: Jon Ruiz, City Manager  
From: Sustainability Commission  
Subject: Sustainable Business Practices

### Introduction

Last year the Sustainability Commission created a subcommittee for Sustainable Business Practices. Its purpose was to explore whether and how the City supported or hindered efforts by local private companies to incorporate sustainable business practices. This report summarizes the findings of the Sustainability Commission's Sustainable Business Practices subcommittee ("subcommittee").

The information provided here reflects informal conversations with businesses that are early adopters of sustainable business practices. While the findings do not reflect a comprehensive survey or provide a complete history of any particular case, they are an indication of the effectiveness of the city's efforts to promote more sustainable activities among motivated businesses. The feedback from these businesses, based on real or perceived issues, does have bearing on how the city can best deliver its programs and services to meet sustainability goals. With the current vacancy in the Green Building Analyst position and the potential reorganization of functions within the Building and Permit Services Division (BPS), there's an opportunity to consider how to best to deliver support services in light of this feedback.

Members of the Sustainable Business Practices subcommittee shared their findings with city staff from BPS and received valuable feedback in the vetting process. Subcommittee members are available for any additional consultation that would assist city staff in addressing the findings detailed below.

### Method

The subcommittee interviewed eleven individuals from 8 different businesses/organizations (identified from Green Lane membership list, selected to represent a broad range of types of businesses), with the following questions:

1. What sustainable business practices does your company use?
2. Has the City helped or hindered your efforts? Please describe.
3. Do you have suggestions for ways the City could:
  - a. Reduce barriers to businesses seeking to employ sustainable business practices.
  - b. Improve its help to businesses seeking to employ sustainable business practices.

In addition, the subcommittee interviewed several other US cities known for their sustainability efforts, to get ideas, models, or lessons learned that might be helpful to the City of Eugene.

### Results of Business Interviews

Local businesses reported a wide range of sustainable practices, including:

- Energy, water and other resource conservation in operation of offices and production of products
- Utilizing local and/or organic ingredients or materials in production of their products

- Utilizing local and/or non-toxic materials in building and remodeling, and other Green Building practices
- Selecting location proximate to public transit and/or including bicycle commuting support services to employees
- Waste reduction and recycling
- Site improvements to increase on-site stormwater infiltration
- And others

Several local businesses shared their appreciation of BRING's RE:think Business program, and their general feeling that City staff is supportive and helpful. It was stated in more than one interview that the good quality of life and culture in Eugene supports business development and especially *sustainable* business development. One of the interviewees specifically praised the Chamber of Commerce and another EWEB as being helpful in implementing sustainable business practices.

The most commonly cited hindrance and repeated requests for relief related to inflexibility in City codes that challenged businesses trying to implement sustainable practices such as encouraging alternative transportation, on-site stormwater infiltration, building on brownfields, reusing gray water, etc. While some of these codes may be mandated at higher governmental levels (Federal, state, or regional) and simply enforced by the City, interviewees clearly shared a perception of City responsibility. Several businesses expressed frustration that while they invested significant resources in Green Building features for example, in LEED (Leadership in Energy and Environmental Design) buildings that will over time use less resources and be more environmentally friendly, neither the codes nor the fees nor the permitting process included flexibility or any sort of "credit" for these efforts. One business even reported that while high-level City staff expressed support for their business' efforts, front-line staff stalled the project because of their unfamiliarity with LEED features. Several businesses expressed frustration that neither SDCs (System Development Charges) nor stormwater fees were adjusted downward in response to 'green' businesses' investments, despite the fact that these investments will result in their buildings having a lower impact on precisely the traffic and stormwater problems for which these fees are designed. Several businesses felt that City-wide, inflexible parking space requirements are a barrier to sustainability efforts, with no flexibility in substituting LTD access, bike parking, or other infrastructure to support alternative transportation. One business emphasized their frustration as a tenant for an inability to access green incentive funding that is only available to landlords even though the tenants are the actual investors in sustainability features.

Many businesses expressed a desire for more information and resources such as those provided by RE:think Business, perhaps in a City-sponsored clearinghouse, website, or dedicated staff. They repeatedly expressed that a one-stop-shop for sustainable business practices would be helpful, especially specific Green Building practices that have been successfully implemented in Eugene. They also indicated that City recognition rewarding efforts for 'green' businesses gives them a marketing advantage.

### **Learning from Other Cities**

In **Corvallis, Oregon** a large and well-organized mostly-volunteer non-profit organization called the Corvallis Sustainability Coalition performs most of the sustainability work in the community, including recognizing and supporting local businesses in their efforts to become more sustainable. A "Buy Local First" campaign, annual Sustainable Business Town Hall Meeting, and "Business of the Week" program are all designed to improve economic outcomes for local businesses that invest in sustainability. An Oregon State University professor is currently assigning term projects to students to research case studies for the Coalition, to help them promote Sustainable Business Practices.

**Bellingham, Washington** has a vibrant non-profit organization called Sustainable Connections, comprised of over 650 local, independently owned business members working "to transform and model an economy built on sustainable practices." Fourteen staff members are guided by an Advisory Board of

local community and government leaders and a Board of Directors of business owners and community leaders. Education, networking, and market development efforts have resulted in successful waste reduction, energy efficiency, and a reported 60 percent shopping behavior change (improving local consumption of locally-produced goods with a “Think Local First” campaign). Sustainable Connections’ 10-year report (2012) is attached as Appendix A.

**Boulder, Colorado** voters approved a citywide carbon tax to support climate action. This provides funds for programs such as:

- Commercial and residential Energy Smart
- Small building tune-ups
- Efficient lighting
- Weatherization
- Climate action planning

Boulder’s Travelwise program is designed to increase trips made by transit, bikes or walking and to encourage the use of low-emission vehicles. The local electrical utility, Xcel Energy is also a big sponsor of Boulder’s sustainability efforts

**Austin Texas:** The City of Austin houses a “Green leaders” recognition program that uses an on-line scorecard/point system to certify achievement of several levels of sustainable business practices. Because the scorecard is on-line, it can reach a large number of businesses. It is set up so that specific answers on the scorecard prompt suggestions about specific actions a business can take to improve its performance in the relevant topical area.

- In vetting the draft scorecard with businesses, City staff learned that businesses are less concerned about saving money, more concerned about growing their business. So they have structured the reward system in a way that it helps market participating businesses. For example, businesses are featured online, and Green Business hosts regular networking events to help certified businesses grow (this is similar to what GreenLane does).
- They are adding on-site technical assistance, similar to the RE:think Business program, to companies that participate in the scorecard process. They are trying to spin-off the networking piece to a newly formed Green Chamber, as a public-private partnership.

## **Conclusion**

While the City of Eugene’s incentive and business recognition programs are robust, the interviews conducted by the subcommittee suggest that local businesses may not be aware of the resources available to support more sustainable business practices. We applaud the City for collaborating with BRING, Lane County Waste Management, and EWEB to fund BRING’s RE:think Business Program and would suggest that greater emphasis be placed on information dissemination and networking with local businesses. Featuring the Bold Steps award finalists at the recent State of the City event was an effective way to raise the profile of the city’s efforts; we’d encourage you to continue to find ways to strengthen these programs and build awareness within the business community. Eugene businesses investing in sustainability features such as energy and water conservation, waste reduction, and local product sourcing make a significant impact on improving the livability and economic vitality of our community. Their efforts align with many City goals and should continue to be encouraged, supported, incentivized, and celebrated.